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TAGS: [KTFN](#) [EFIN](#) [PGOV](#) [PTER](#) [SW](#)

SUBJECT: REPORTING OF SWEDISH MONEY LAUNDERING CASES DOUBLES

1. (SBU) Summary: According to recently released figures from the Swedish Financial Police, there were 13,048 cases of suspected money laundering amounting to \$1.2 billion in 2008, an increase of 116 percent compared to 2007. Banks did a better job of reporting, increasing from 1,310 cases in 2007 to 7,232 in 2008. Alexandra Aursell, Financial Supervisor at the Swedish Financial Supervisory Authority (FI) told Emboff on August 5 that Sweden is working hard to increase awareness of the requirement to report, primarily through outreach activities to various branch organizations, and has established a special unit to supervise industries where money-laundering occurs. End Summary.

2. (SBU) A new report from the Swedish Financial Police (Finanspolisen) shows that the number of money laundering cases reported in Sweden more than doubled in 2008. According to recently released figures, there were 13,048 cases of suspected money laundering amounting to \$1.2 billion in 2008, an increase of 116 percent compared to 2007. Banks did a better job of reporting, increasing from 1,310 cases in 2007 to 7,232 in 2008. "It's an indication that the banks have implemented better procedures and have built intelligent detection systems," Thomas Palmberg, Deputy Chief of the Financial Police, told the Swedish daily Svenska Dagbladet on August 3. Financial intermediaries also stepped up their reporting of suspected crimes, and the police became better at uncovering suspicious transactions on the internet at an earlier stage.

3. (SBU) The report also cautioned that companies in cash-intensive industries such as auto dealerships, real estate brokers and casinos, continue to be less forthcoming with reports of suspected money laundering. "I'm sure there are considerably more cases of money laundering in cash-intensive industries than what is reported," Palmberg opined. Palmberg advocated amending Swedish laws to make it easier to freeze suspicious money without first having to provide concrete suspicions for crime, citing Norway as a good example of a country that has implemented tougher money laundering laws. Alexandra Aursell, Financial Supervisor at the Swedish Financial Supervisory Authority (FI) told Emboff on August 5 that Sweden is working hard to increase awareness of the requirement to report, primarily through outreach activities to various branch organizations, and has established a special unit to supervise industries where money-laundering occurs. Aursell stated that she hope to have an English translation of the 3rd EU AML Directive posted on the FI website in autumn 2009.

4. (SBU) The Financial Action Task Force (FATF) in its Mutual Evaluation of Sweden (February 2006) rated Sweden "partially compliant" or "Non-Compliant" on 20 Recommendations, two core, two key and 16 other Recommendations. By February 2008 (the First Follow-Up Report), Sweden had already implemented a number of measures to address these shortcomings and aimed to correct several others by implementing the 3rd EU Anti-Money Laundering Directive (AMU). The Swedish

Parliament adopted the new 3rd EU AML Directive in February 2009, and it took effect March 15, 2009. In addition, secondary legislation that applies to all financial institutions came into force on May 15, 2009.

¶15. (SBU) On August 5, Johanna Orth, Deputy Director of the Banking Department at the Swedish Ministry of Finance, told Emboff that while Sweden realizes that it still needs to make further progress to prevent money laundering, Sweden advised the FATF that it "might not be able to keep the timetable for the legislative process," and that should the Lisbon Treaty be adopted, it may offer a "legal basis for EU legislation covering the freezing of assets of EU residents." Given the amount of work Sweden was required to carry out to prepare for its EU Presidency, Sweden requested and received permission to report back to the FATF on the status of additional corrective measures in June 2010. Orth commented that Sweden will remain in "follow-up," until June 2010 at which time it will seek removal.

¶16. (SBU) Comment: Both Aursell and Orth complained that legislation moves very slowly. Nevertheless, Sweden is moving in the right direction, and the increased reporting of suspected money-laundering cases confirms this. Translating the 3rd EU AML Directive into English and making it available on line to non-Swedish speaking actors in Swedish industry should also improve reporting.  
SILVERMAN